

Message Text

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PAGE 01 HELSIN 01249 111525 Z

47

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 EB-11 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

L-03 H-02 PA-03 PRS-01 USIA-12 AGR-20 RSR-01 /176 W
----- 036596

R 111500 Z MAY 73

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC 6094

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

USMISSION OECD PARIS

UNCLAS HELSINKI 1249

E. O. 11652: N/ A

TAGS: ETRD, FI

SUBJECT: FINLAND FACES PROSPECTS OF RECORD TRADE
DEFICIT IN 1973.

REF: HELSINKI A-126, MAY 5, 1973

1. BEGIN SUMMARY. PRELIMINARY TRADE STATISTICS FOR
JANUARY- APRIL SHOWED DEFICIT OF \$235 MILLION AND
PROJECTED ON AN ANNUAL BASIS IT WOULD TOTAL A RECORD
\$700 MILLION. THIS HAS CAUSED PRESS TO SPECULATE
LIKELIHOOD OF RESTRICTIVE GOVERNMENT IMPORT MEASURES.
END SUMMARY.

2. PRELIMINARY BOARD OF CUSTOMS DATA SHOW 4 MONTHS
TRADE DEFICIT OF FMK 918 MILLION (\$235 MILLION, CALCULATED
ON FMK 3.90 EQUAL U. S. \$1.00), SUBSTANTIALLY HIGHER
THAN PREVIOUS RECORD OF FMK 614 MILLION FOR SAME
1971 PERIOD WHEN FINLAND EXPERIENCED FMK 1,844 MILLION
DEFICIT FOR YEAR. CONSERVATIVE UUSI SUOMI AND COMMUNIST
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KANSAN UUTISET EXPRESSED CONCERN THAT DEFICIT FOR 1973
COULD APPROACH FMK 2,700 MILLION. LATTER SOURCE SPECULATED
ON GOVERNMENT STEPS TO RESTRICT IMPORTS.

3. EMBASSY COMMENT. DEFICIT OVERSTATES SOMEWHAT THE BASIC
BALANCE BECAUSE OF DELAYED IMPORTS AND STOCK DRAW DOWNS
IN 1972. THERE IS EVIDENCE ALSO OF SOME STOCKPILING AND
RESUMPTION OF PRIVATE INVESTMENT ACTIVITIES IN EARLY 1973
AGGRAVATING TRADE BALANCE. THE DEVELOPMENT WORRIES TRADE
POLICY MAKERS IN FINLAND, NOT BECAUSE OF ANY IMMEDIATE
EXCHANGE CRISIS BUT BECAUSE PUBLIC ATTITUDES WILL AFFECT
FUTURE TRADE POLICY DECISIONS. THOUGH THERE IS NO
IMMEDIATE EXCHANGE PROBLEM, GOVERNMENT AUTHORITIES COULD
FIND IT NECESSARY IN THE FALL TO RESTRAIN IMPORTS THROUGH
MONETARY AND IMPORT RESTRICTIVE MEASURES. EXCHANGE HOLDINGS
HAVE DECLINED FROM FMK 3,024 MILLION AT END OF 1972 TO
FMK 2,517 MILLION AT END OF MARCH 1973.
WHITE

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NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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